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Thomas P. O'Neill
Senior Counsel

Via Hand Delivery

September 29, 2006

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
1 South Station, 2nd Floor
Boston, MA 02110

Re: KeySpan Energy Delivery, Approval of Gas Transportation, D.T.E. 06-54

Dear Ms. Cottrell:

Enclosed herewith is the revised response of Boston Gas Company, d/b/a KeySpan Energy Delivery New England ("KeySpan" or the "Company") to the Attorney General's Information Request AG 3-4 in the above-referenced proceeding.

Thank you.

A handwritten signature in black ink that reads "Thomas P. O'Neill (yn)". The signature is written in a cursive, flowing style.

Very truly yours,

Thomas P. O'Neill

Enclosures

cc: Service List

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

ATTORNEY GENERAL'S THIRD SET OF DOCUMENT AND
INFORMATION REQUESTS

D.T.E. 06-54

Respondent: Counsel/Theodore Poe, Jr.

Date: September 29, 2006

Information Request AG-3-4 (REVISED)

Q. Please provide copies of any and all orders and directives issued by the Department of Telecommunications and Energy, and communications (including written, oral, and electronic) with the Department that acknowledge the use of a peak-hour planning or resource acquisition standard. If the Company cannot provide copies, explain why not and identify those orders, directives, and communications that the Company cannot produce.

A. *Response to Information Request AG-3-4 by Counsel*

KeySpan objects to this question because the question *specifically requests* that the Company provide legal *orders* of the Department “that acknowledge the use of a peak-hour planning or *resource acquisition standard*” (emphasis added). A response to this request necessarily requires a review and interpretation of the Department’s legal standard for resource acquisition. For this reason, the Company believes that it appropriately answered the Attorney General’s original request by (1) having Counsel respond to the question; and (2) providing reference to the Department’s resource-acquisition standard and applicable documentation as requested by the Attorney General.

Therefore, to the extent that the question requires a legal response, the Company objects to the question.

Response to Information Request AG 3-4 by KeySpan’s Technical Witness:

The analysis of the peak hourly flow capacity that is needed to meet customer load requirements is a critical aspect of identifying the resource needs of the system and the evaluation of possible resource acquisitions. The Company has routinely performed this analysis for many years, especially in relation to constrained pipeline facilities such as the AGT pipeline facilities in Massachusetts. When the interstate pipeline supplying gas to the Company’s

system is routinely constrained during period of system stress (as is the AGT system), the pipeline companies have the option of holding shippers to their contractual peak-hour flow entitlements. If KeySpan does not hold sufficient rights to needed peak hour flows, there is the possibility that insufficient gas supply will be available in the coldest period of the coldest day of the year. This is unacceptable to the Company from a gas supply planning perspective, and therefore, is directly factored into the Company's resource planning and acquisition process. To the extent that the Company identifies the need to acquire a particular resource to ensure sufficient peak-hour capability (or any other element relating to the reliability of gas deliveries), the Company will seek to acquire that resource, subject to the Department's approval, to ensure that service to customers continues to be reliable.

From a gas supply planning perspective, the issue of peak-hour capability was a specific factor in the acquisition of the Hubline pipeline capacity, as discussed in the testimony of Elizabeth (Danehy) Arangio, Exhibit ECD-1, at page 12-13, submitted in KeySpan Energy Delivery, D.T.E. 02-18 (2003) (approving the Company's request to acquire firm transportation capacity on Algonquin's Hubline project).